

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF OKLAHOMA

IN RE:

ATOKA COUNTY HEALTHCARE
AUTHORITY,

Debtor.

Case No. 17-80016
(Chapter 9)

DEBTOR'S STATUS REPORT

Atoka County Healthcare Authority (“Debtor”), hereby files this Status Report in compliance with the Court’s Minute Entry dated March 13, 2019 [Doc. #143] as amended by its Minute Entry dated March 27, 2019 [Doc. # 146] to update the Court regarding Debtor’s recent change of management.

Management:

1. Debtor previously entered into a Management Services and Operating Agreement with McAlester Regional health Center Authority d/b/a/McAlester Regional Health Center for the management of Atoka Hospital. The parties recently decided it was mutually beneficial for them to transition away from that agreement.

2. The Debtor performed due diligence to locate another suitable management arrangements, and identified Carrus Healthcare, LLC (“Carrus Health”) as a strategic partner for that role.

3. Carrus Health has been retained, with the due approval of Debtor’s Governing Board, to provide overall management services for Atoka County Medical Center (“ACMC”).

4. The current management agreement is interim in nature. ACMC and Carrus Health are in the process of developing a comprehensive long-term contract, which will have an initial term of a number of years to be determined, as well as renewal options.

5. The parties' present goal is to solidify a final management agreement within ninety days.

6. Carrus also operates an acute care hospital in Sherman, Texas, as well as Atoka Manor, Inc. (a ninety-six bed Skilled Nursing and Long-Term Care Facility) in Atoka County, Oklahoma.

7. Representatives of Carrus Health met personally with the Court's Patient Care Ombudsman on April 2, 2019, to discuss the management change and to ensure the transition would not cause any disruptions to ACMC's operations or its high standard of quality healthcare services.

8. The full scope of services to be expanded and to be added to ACMC are still being negotiated between the parties.

9. However, representatives of Carrus Health have met with Debtor's counsel and financial experts regarding the transition and potential strategic plans to ensure Debtor will be able to successfully exit bankruptcy. The parties will remain in close contact as Carrus Health continues to build its strategic plan for ACMC.

10. Further, Carrus Health has assured Debtor that its managing of Atoka Manor, Inc. and its other hospital programs will not adversely affect ACMC, and will not place ACMC in any regulatory or other compliance violations.

11. In the short term, Carrus Health is:

- speaking with the Ombudsman to learn and address any and all concerns she has with the operation of ACMC;
- updating the policies and procedures of the hospital by incorporating the Carrus Health Interdisciplinary Policy manual into the ACMC facility;
- actively recruiting doctors to practice in the ACMC facility on order to increase physician support to admit, treat, and manage both swing and acute inpatients;
- working to expand ACMC's daily census of swing bed patients; and
- creating a plan to expand services provided to Atoka county that will increase both revenue and overall health of the population;

12. During the March 13, 2019 Status Conference, the Court set a further Status Conference for May 8, 2019 at 8:30 a.m.; Debtor will provide additional written reports to the Court should it desire further information before that time.

Respectfully Submitted,

/s/ Jeffrey E. Tate
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